



Economic Development  
Foundation

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**Meeting Minutes**  
**ND Economic Development Foundation Meeting**  
**Tuesday, November 17, 2015**  
**NDSCS Student Center**  
**800 North 6<sup>th</sup> Street**  
**Wahpeton, ND 58076**

**WELCOME AND CALL TO ORDER:**

The meeting was called to order at 11:00 a.m. by Jim Traynor, Chairperson.

**Members Present:** Al Anderson, Bruce Thom, Chuck Hoge, Craig Lambrecht, Danita Bye, Eric Trueblood, Jim Traynor, Judi Paukert, Mark Nisbet, Mike Seminary, Robert Hovland, Steve McNally, Tim Hennessy.

**Members Present Via Phone:** Kari Ness and Wally Goulet.

**Members Absent:** Bruce Smith, Daniel Traynor, Jon Simmers, Kelly Rusch, Lyn James, Pamela Schmidt, Randy Hatzenbuehler.

**Guests Present:** Jill Schwab, Justin Dever, Sandy McMerty, Wayde Sick, Jane Priebe, Harvey Link, Meryl Hansey.

**Guests Present Via Phone:** Connie Ova.

**WELCOME & INTRODUCTIONS:**

Jim Traynor provided a welcome to members and guests and introductions were made

around the room and on the phone. Craig Lambrecht from Sanford Health is the Foundation's newest member appointed in October 2015.

#### **APPROVAL OF AGENDA:**

Due to the Bismarck group not being able arrive in Wahpeton by plane, Jim Traynor asked that the agenda be updated to move introductions, minutes, financials and the working lunch to the beginning of the meeting.

Jim Traynor asked for a motion to approve the revised November 17, 2015, agenda.

**Motion: Robert Hovland moved to approve the revised November 17, 2015, agenda. Mark Nisbet seconded the motion. Motion carried.**

#### **APPROVAL OF MINUTES:**

Jim Traynor asked for a motion to approve the September 24, 2015, minutes.

**Motion: Bruce Thom moved to approve the September 24, 2015, minutes. Judi Paukert seconded the motion. Motion carried.**

#### **COMMITTEE REPORTS:**

##### **Finance Committee**

##### Quarterly Financial Statements

Jill Schwab reported that the Profit & Loss Statement for July 1 – September 30, 2015, reflects a net income of \$128,500.00. The Balance Sheet as of September 30, 2015, is \$329,029.45. The Statement of Cash Flows from July 1, 2015 - September 30, 2015, is \$329,029.45. Outstanding pledges through July 2016 are \$87,000. The one-year budget shows income through 11/10/15 of \$144,000 for the Find the Good Life Initiative. From July 1, 2015 to date, Client Relations Events total \$5,098, Accounting Fees are \$2,176, Contract Labor - Terry Fleck is \$17,500, and total payment to Odney Advertising for the Find the Good Life campaign is \$10,638. We currently need \$68,000 in matching funds to access the full \$300,000 from the Legislature.

Jim Traynor asked for a motion to approve the financial statements as presented.

**Motion: Steve McNally moved to approve the financial statements as presented. Danita Bye seconded the motion. Motion carried.**

### Client Relations Expenses & Development Fund Celebration

Sandy McMerty reported that Paul Lucy hosted a client relations pheasant hunt in October 2015 with Cardinal Glass and Marvin Windows in SW North Dakota. The budgeted amount for that trip was \$3,000 and actual expenses were \$2,621.23. Cardinal Glass and Marvin Windows employ around 1,800 people in ND.

Another pheasant hunt is being planned for December 14-16, 2015. The intent is to host six people from four separate companies out of the West Fargo area with Paul Lucy and Matt Marshall. The cost projection for that hunt will be around \$5,000.

### Development Fund Celebration

The Development Fund celebration was held on September 23, 2015, in Bismarck. There were around 60 individuals present. The total amount requested from the Foundation was \$2,972.

### Trade Mission and Business to Business Mission to Israel

In cooperation with the North Dakota Trade Office a trade mission to Israel is being planned for January/February 2016 promoting UAS, Cyber Security, and Research and Development. The Foundation request is approximately \$5,000.

### North Dakota Business Event in Chicago

A Summit centered around business showcasing energy, UAS, and a panel with business leaders due to a large conglomerate of Consulate Generals located in Chicago with an interest in foreign direct investment is tentatively being planned for March 3, 2016. The intent is to have Governor Dalrymple attend this event.

## **DEPARTMENT OF COMMERCE UPDATE:**

### Commissioner Report/Comments

Al Anderson reported that Commerce focuses on four key areas: Workforce, Community Development, Tourism, and Economic Diversification. Commerce recently hosted a group from Iraq who are interested in the model ND has for gas flare capture and we were able to visit with DOE executives from Washington, DC during this visit.

The Pollina Corporation rated North Dakota as the #6 Top Pro-Business State in 2015. A Grand Sky groundbreaking for Northrop Grumman was held recently in Grand Forks along with a groundbreaking for General Atomics. The Great Plains & EmPower ND

Energy Conference occurred on October 13, 2015, with an excellent keynote speaker from ConocoPhillips.

Al recently made trips to Dickinson, Williston, and Watford City to assess progress in western North Dakota. Rents are coming down in comparison to Bismarck and Fargo; however, several cities still have not normalized completely (sitting around 1½ times the normal rate).

### Entrepreneurship/Innovate ND

Justin Dever gave an update on Innovation and Entrepreneurship. The overall goal of the Research ND program is to have a long term positive economic impact on the State and Private Sector through economic diversification, improved production factors, and the development of new markets. The intent of the program is to promote the development and commercialization of products and processes through partnerships between industry and research universities.

The five types of Research ND grants are:

1. Research ND
2. Research ND BIO
3. Fast Track
4. Phase I Venture Grant
5. Phase II Venture Grant

Research ND is open to all industry sectors with priority to targeted industry sectors including:

1. Advanced Manufacturing
2. Technology-Based Businesses
3. Value-Added Agriculture
4. Tourism
5. Energy

### **Research ND:**

- Competitive Awards
- Matching funds from Private Sector Partner (PSP)

- Cash to the university
- Cash Reserved
  - Salaries and benefits (apportioned to work on the project)
  - Travel
  - Direct expenses

### **Research ND BIO:**

Sub-program of Research ND

Role is to conduct research on and develop and commercialize vaccines and antibodies for the prevention of, treatment of, or cure for cancer; virally infectious disease; or other pathogens, including bacteria, mycobacteria, fungi and parasites.

- Competitive Awards
- Matching funds from Private Sector Partner (PSP)
- Cash to the university
- Cash Reserved
  - Salaries and benefits (apportioned to work on the project)
  - Travel
  - Direct expenses

### **Fast Track:**

FAST Track proposals must meet a compelling private sector need, be of short duration (no more than one year), and provide a compelling reason to begin immediately.

Sub-program of Research ND

- Administratively Approved
- Research University and a PSP with a Substantial Presence in North Dakota.

- Matching funds from Private Sector Partner (PSP)
  - Cash to the university ONLY

### **Phase I Venture Grant:**

Projects proposing to pursue the further commercialization of technology developed by the research university or technology developed jointly by the research university and a startup or spinoff business operating in ND.

- Competitive Awards
- No matching funds or partner requirement
- Eligible activities for Phase I awards are generally to pursue information related to the feasibility of building a business around a specific piece of technology or intellectual property.
  - Market assessment
  - Costs related to securing IP protection
  - Further development of the product including "proof of concept"

### **Phase II Venture Grant:**

- Competitive Awards
- Matching funds from Private Sector Partner (PSP)
- Must successfully complete Phase I
  - Additional market assessment
  - Further development of the product or process
  - Plan for the startup or spinoff business

The ultimate goal of the Venture Grant program is the creation of a North Dakota business.

### From Application to Award Steps:

1. Submit Application to Commerce
2. Technical Review by 3<sup>rd</sup> party
3. Applicant receives and responds to technical review
4. Applicant presents to Centers of Excellence (COE) Commission
5. COE Commission awards funds
6. Grant Award Agreements are signed
7. Progress and Final Reports

### Application Due Dates:

November 20, 2015  
February 19, 2016  
May 20, 2016

Fast Track applications are administratively approved and may be submitted at any time.

### Funding Limits

|   | Research<br>ND                                    | Research<br>ND BIO | Fast Track            | Phase I                   | Phase II  |
|---|---|--------------------|-----------------------|---------------------------|---|
| Applicant <sup>1</sup>  | ND Research University/<br>Private Sector Partner |                    |                       | ND Research<br>University | ND Research<br>University/<br>Startup or<br>Spinout |
| Available Funds<br>2015-17 biennium   | \$7,450,000                                       | \$1,000,000        | \$500,000             | \$2,000,000               | \$2,000,000   |
| Project Funding Limits <sup>2</sup>   | \$300,000   | \$1,000,000        | \$50,000 <sup>4</sup> | \$100,000                 | \$150,000   |
| Private Sector<br>Investment Required<br>to Access State Funds <sup>3</sup> | Yes   | Yes                | Yes <sup>4</sup>      | No                        | Yes   |

### Innovate ND

The purpose of Innovate ND is to look for innovative, scalable businesses in ND. Innovate ND can provide up to \$32,500 to grow the business. Phase I - \$2,500 voucher with a \$250 enrollment fee. Phase II - \$5,000 voucher with a \$500 enrollment fee. Phase III - \$10,000 grant with a \$2,000 matching minimum and Phase IV - \$15,000 grant with a

\$5,000 matching minimum. Participants must be working with an entrepreneurial center. TBEG (Technology Based Entrepreneurship Grant) has now been rolled into Innovate ND.

Innovate ND hosts boot camps for the following objectives:

- Business concept
- Financials
- Pitching
- Advanced financials
- Project management

Innovate has had over 550 participants since 2006. Currently has 88 active participants & 47 just since July 1, 2015. Entrepreneurship in the community is supported through a number of different ways through a program called 1 Million Cups, Start-Up Weekends, Fargo Startup House, Co-Working along with Startup Drinks, E-Commerce Breakfasts, Drone Focus, and Hack Fargo. The Prairie Fire Conference hosted 300 people in Bismarck on October 24, 2015. TEDx and OTA and entrepreneurial led organizations are here to support entrepreneurs (Emerging Prairie, Start Bismarck, and Evolve ND).

## **OLD BUSINESS:**

### Meeting Date/Location for Meeting

The first quarter board meeting will be held in Dickinson, ND at the Strom Center on February 16, 2016.

### Networking Lunch with Local Leaders

Jane Priebe from the City of Wahpeton reported that the population is around 7,800. If you include Breckenridge, it is around 11,000. There are about 1,500 commuters to Wahpeton each day. NDSCS is the #1 resource for development in the city. They have a golf course and multi-family apartments (30 units for 50+ housing). They are in the early stages of developing a ND Housing co-op. The co-op owns land/homes and shareholders own stock. These are double-wide mobile homes only.

Com-Del is adding 25,000 feet of manufacturing space to its existing facility. There is a shortage of gas supply in the area and gas currently comes through a Viking pipeline in Minnesota. Wahpeton will have 2-3 bedroom unit apartments coming north of Walmart. There is a \$30 million (3 building) middle school expansion planned. The Police Department is going to be relocating into a new central location. A company called Birchwood Investments has a 24 unit apartment which is part of the Renaissance Zone.



The rework of Dakota Avenue years ago has bolstered development along Wahpeton's main street. The Brew is a restaurant which is part of the old city hall (\$2.25 million renovation, \$450,000 restoration). The city focuses their efforts on quality of life improvements to attract commuters to stay, live in apartments, and build homes.

They do have large workforce needs with about 300 open jobs (mostly healthcare and manufacturing). Imation once had 1,000 employees, they vacated 400 employees in 2007 and are almost currently back to 400 employees.

Harvey Link from NDSCS reported that NDSCS currently has 1,600 students on campus (3.5% increase in non-traditional format). They have hybrid students who float between career and technical education. NDSCS is the second oldest 2 year college in the nation with student life elements differentiating between athletics and residential life. The college focuses on 7 areas of study: transportation, construction, manufacturing, allied health, liberal arts, agriculture, and computer technology. They recently had students exposed to a live workplace through the manufacturing program for Manufacturing Day on October 3, 2015. NDSCS pursues partnerships to elevate and train the workforce and works closely with industry partners. Business support becomes the third leg of the college since education is very expensive. They provide \$10 million worth of equipment for students in their curriculum. They have a tailored education program with technologies required by technicians and companies sponsor students through internships, classes, and post-graduate hires (i.e. Case, John Deere, Komatsu, Butler Machinery, and Caterpillar). Some local companies will even identify a student from their home area and provide help and support.

They host job fairs and employers are encouraged to find employees by recruiting or sponsoring early on since students typically have already found employment. Employers should consider the option of tuition reimbursement when recruiting.

## **NEW BUSINESS:**

### Agreed Upon Procedures Audit

Jill Schwab stated that Brady Martz & Associates conducted an Agreed Upon Procedures Audit from August – October 2015. The areas reviewed and tested were as follows:

- 1) Randomly selected 25 donations from donors during the period November 1, 2013, through June 30, 2015 (the period the agreed upon procedures was supposed to test) and confirm directly with the donors the amount donated and the purpose of the donation. Confirmed without exception.
- 2) Agreed each donation to the amount on the Foundation's records for the "Find the Good Life Campaign." All amounts confirmed.

- 3) Confirmed directly with Odney Advertising the amounts paid to them for the Campaign and verified the amounts to the Foundation's records. All confirmed amounts agreed without any exception.
- 4) Reviewed the contracts paid to the independent contractors working on the campaign and ensured they were paid according to the contracts. All amounts agreed without exception.
- 5) Randomly selected 40 disbursements and reviewed the supporting documentation to ensure they were paid correct amount, were properly approved, met the purpose, etc. and agreed to the Foundation's records for the campaign. All 40 disbursements agreed to the Foundation's accounting records without exception.

#### Find the Good Life Initiative/Finance Update/Metrics

Wayde Sick explained that they held their recent Recruiter's Network meeting in West Fargo at Eventide and had a good turnout. The Recruiter's Network currently has 34 companies signed up. Members are being currently being contacted to renew their memberships in 2016. An eight (8) question survey will be given to new hires of companies in the Recruiter's Network asking them whether the Find the Good Life Initiative has been a part of the reason employees moved to ND. Wayde and his staff recently attended hiring events at Louis McChord Joint Base in Tacoma, WA and Fort Campbell, KY. On December 9, 2015, Wayde's team will be at the JB San Antonio, TX Job Fair and will also be hosting 20 booths at the University of MN & MN Community Colleges Job Fair on February 17-19, 2016.

Wayde attended a conference recently in Chicago lead by the Walt Disney Company on leadership and how to hire, retain, and onboard veterans into companies. <https://disneyveteransinstitute.com/resources/>.

In December 2015, Sara Otte Coleman and Wayde Sick will be meeting the UND and NDSU Alumni Association on partnerships to target alumni for the Find the Good Life initiative.

Sandy McMerty reported that there are seven "New to ND" videos on YouTube for Foundation members to use. They will be posted on FaceBook, Twitter, the ExperienceND site, the Find the Good Life in ND site, and YouTube. To date, there were 30,734 unique visitors to the Find the Good Life website from July 1, 2015, to November 16, 2015. The top 3 cities with the highest number of hits are in North Dakota followed by Houston, TX and Chicago, IL. Eighty-five percent (85%) of the traffic to the site are new visitors.

Jim Traynor recently conducted an interview on the Find the Good Life initiative with the Fargo Forum which should be published shortly.

#### Member Comments

**Chuck Hoge:** Focus on entrepreneurship and issues that will be brought forth during the 2017 Legislative Session.

**Bruce Thom:** Wahpeton officials provided informative information about NDSCS and lots of work still needs to be done.

**Eric Trueblood:** Would like to see a presence for the Find the Good Life at venues such as One Million Cups to support those groups.

**Judi Paukert:** Good information, another good meeting.

**Mark Nisbet:** Drones are going to be a part of an exciting future in ND. The Clean Power Plant meetings will be held around the state and will affect the energy industry. Will identify next steps shortly on proceedings.

**Danita Bye:** Thanks to those attending and for being allowed to be an alternate on the Centers of Excellence Commission meeting recently. Very exciting work.

**Mike Seminary:** Visited Rochester and Sioux Falls recently to meet with medical professionals and economic development directors, etc. to discuss and learn best practices as healthcare continues to involve into medical tourism or medical destinations. The impacts of the delivery system will be very significant in communities in ND (specifically Fargo and Bismarck).

**Tim Hennessy:** Looking at the volume of Research ND and Innovate ND companies is great to see.

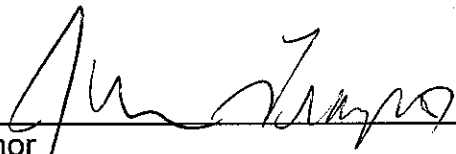
**Craig Lambrecht:** Sad to see that Wishek Manufacturing is closing. Let ND define clean air. Thanks for the encouraging meeting.

**Wally Goulet:** Enjoyed the meeting today. Encouraged by Emerging Prairies work and hoping that extends to Start Bismarck.


#### **ADJOURNMENT:**

Being no further business, Jim Traynor adjourned the meeting.

The meeting adjourned at 3:00 p.m.

  
Jim Traynor  
Chairperson

2/16/16  
Date

  
Jill Schwab  
Recorder

11/17/15  
Date

**FUTURE ACTION ITEMS:**

- **Jill Schwab will coordinate the first quarter board meeting on February 16, 2016, in Dickinson, ND.**